

**A RESOLUTION**  
**Segregation of the State Health Benefit Plan**  
**Fund Balance and**  
**Establishment of Contributions to the**  
**Georgia Retiree Health Benefit Fund**

**WHEREAS**, the Board of Community Health (the “Board”) desires that the State Health Benefit Plan (the “SHBP”) meet the financial reporting standards established by the Governmental Accounting Standards Board (“GASB”);

**WHEREAS**, the GASB requires that the SHBP record liabilities for the cost of SHBP retirement-related benefits for both current and future retired members (i.e. “Other Post Employment Benefits” or “OPEB”) beginning in Fiscal Year (“FY”) 2007;

**WHEREAS**, the GASB requires a separate accounting for assets available for the eventual payoff of OPEB liabilities;

**WHEREAS**, O.C.G.A. § 45-18-101 established the Georgia Retiree Health Benefit Fund (the “Fund”) in order to provide a mechanism for the State of Georgia (the “State”) to separately safeguard and monitor assets appropriated to address OPEB liability;

**WHEREAS**, there is a need to segregate the SHBP June 30, 2007 Healthcare Fund Balance (the “HFB” for OPEB purposes.

**WHEREAS**, a reasonable allocation methodology to segregate the HFB would be to use the percentage of the SHBP Incurred but Not Reported (IBNR) claims liability as of June 30, 2007 that is attributable to retirees and apply that same percentage to the HFB to identify the share of the HFB to be moved into the Fund.

**WHEREAS**, the SHBP has received and is scheduled to receive monthly premium revenue from participating active and retired members that is available to cover healthcare expenditures for active and retired members, respectively.

**WHEREAS**, the SHBP has received and is scheduled to receive monthly revenue from participating employers that is available to cover healthcare expenditures for both active and retired members.

**WHEREAS**, O.C.G.A. § 45-18-102 (h) requires the Department of Community Health (the “Department”) to contract with the Division of Investment Services of the Teachers Retirement System of Georgia and the Employees' Retirement System of Georgia (the “Division”) for any necessary services with respect to Fund investments;

**WHEREAS**, the Department entered into an interagency agreement with the Division of Investment Services of the Teachers Retirement System of Georgia and the Employees' Retirement System of Georgia on November 29, 2005 for investment services;

**WHEREAS**, any Fund amount in excess of the amounts necessary to cover prior year IBNR and current year incurred expenditures should be used for long term investment to address OPEB liabilities.

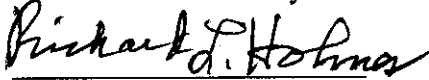
**NOW THEREFORE LET IT BE ORDERED** by the Board that \$57,290,182 of the June 30, 2007 HFB be moved into the Fund and be made available to the Division for long term investment. The remaining \$190,418,142 of the June 30, 2007 HFB will be retained by the SHBP Healthcare Fund.

**LET IT FURTHER BE ORDERED** by the Board that SHBP premium revenue received from retired members be deposited into the Fund and SHBP premium revenue received from active members remain in the SHBP Healthcare Fund.

**LET IT FURTHER BE ORDERED** by the Board that SHBP employer revenue, in an amount equivalent to the expenditures paid and incurred after retirement for SHPB members less the amount of retiree premium revenue be deposited into the Fund and the remainder be retained by the SHBP Healthcare Fund to cover expenditures paid and incurred for members who remain active.

**LET IT FURTHER BE ORDERED** by the Board that expenditures paid and incurred after retirement for SHBP members be charged to the Fund.

Resolved this 14th day of February, 2008 in public session.



Richard Holmes  
Chair

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Secretary